

BOSTON GAS COMPANY

(d/b/a KeySpan Energy Delivery New England)

PERFORMANCE-BASED RATE PLAN

D.T.E. 03-40

VOLUME I

APRIL 16, 2003



BOSTON GAS COMPANY
(d/b/a KeySpan Energy Delivery New England)

**PERFORMANCE-BASED
RATE PLAN**

D.T.E. 03-40

APRIL 16, 2003

VOLUME I





KeySpan Energy Delivery New England
52 Second Avenue
Waltham, Massachusetts 02451

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Joseph F. Bodanza
Senior Vice President
Regulatory Affairs and Chief Financial Officer

April 16, 2003

Hand Delivery

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

Re: Boston Gas Company d/b/a KeySpan Energy Delivery New England, D.T.E. 03-40

Dear Ms. Cottrell:

Enclosed are an original and nine (9) copies of the Performance-Based Rate Plan of Boston Gas Company d/b/a KeySpan Energy Delivery New England (the "Company"). A check in the amount of \$355 for filing fees is also enclosed. The Company's filing consists of the following:

1. Transmittal Letter – Director of Rates;
2. Explanatory Letter – Director of Rates;
3. Notice of Public Hearing;
4. Petition for Approval;
5. M.D.T.E. Nos. 1209 through 1225, for effect May 1, 2003 under Transmittal Letter from A. Leo Silvestrini, Director of Rates and Regulatory Affairs;
6. Testimony and Exhibits of Joseph F. Bodanza (Volume I);
7. Testimony and Exhibits of Patrick J. McClellan (Volume I);
8. Testimony and Exhibits of Justin C. Orlando (Volume II);
9. Testimony and Exhibits of Dr. Lawrence R. Kaufmann (Volume II);

10. Testimony and Exhibits of Paul R. Moul (Volume II);
11. Testimony and Exhibits of Ann E. Leary (Volume III);
12. Testimony and Exhibits of A. Leo Silvestrini (Volume IV); and
13. Testimony and Exhibits of Ronald B. Edelstein (Volume IV).

The Company looks forward to working with the Department and other interested persons during the course of this proceeding. All correspondence relating to the filing should be addressed to:

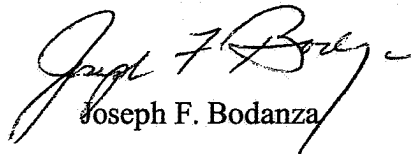
Richard A. Visconti
General Counsel
KeySpan Energy Delivery New England
52 Second Avenue
Waltham, MA 02451

and

Robert J. Keegan, Esq.
Keegan, Werlin & Pabian, LLP
21 Custom House Street
Boston, MA 02110

Please acknowledge receipt of this filing on the enclosed copy of this letter and on the copies of the two Letters of Advice and return them to Richard A. Visconti in the self-addressed envelope provided.

Very truly yours,



Joseph F. Bodanza

Enclosures

cc: Paul G. Afonso, General Counsel
Kevin Brannelly, Director, Rates and Revenue Requirements Division (2 copies)
George Yiankos, Director, Gas Division
Joseph W. Rogers, Assistant Attorney General
Robert F. Sydney, General Counsel, Division of Energy Resources

April 16, 2003

Via Hand Delivery

Kevin Brannelly, Director
Rates and Revenue Requirements Division
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Boston Gas Company d/b/a KeySpan Energy Delivery New England, D.T.E. 03-40
Advice - Transmittal Letter

Dear Mr. Brannelly:

Pursuant to G. L. c. 164, § 94 and 220 C.M.R. §§ 5.00 et seq., Boston Gas Company d/b/a KeySpan Energy Delivery New England, seeks approval from the Department to changes in its schedule of rates to become effective May 1, 2003, including:

Residential Non-Heating

Rate Classification No. R-1 – M.D.T.E. No. 1209
Canceling M.D.T.E. No. 1193

Residential Assistance Non-Heating

Rate Classification No. R-2 – M.D.T.E. No. 1210
Canceling M.D.T.E. No. 1194

Residential Heating

Rate Classification No. R-3 – M.D.T.E. No. 1211
Canceling M.D.T.E. No. 1195

Residential Assistance Heating

Rate Classification No. R-4 – M.D.T.E. No. 1212
Canceling M.D.T.E. No. 1196

Low Load Factor General Service - Small

Rate Classification No. G-41 – M.D.T.E. No. 1213
Canceling M.D.T.E. No. 1197

Kevin Brannelly, Director

April 16, 2003

Page 2

Low Load Factor General Service - Medium

Rate Classification No. G-42 – M.D.T.E. No. 1214

Canceling M.D.T.E. No. 1198

Low Load Factor General Service - Large

Rate Classification No. G-43 – M.D.T.E. No. 1215

Canceling M.D.T.E. No. 1199

Low Load Factor General Service – Extra Large

Rate Classification No. G-44 – M.D.T.E. No. 1216

Canceling M.D.T.E. No. 1200

High Load Factor General Service - Small

Rate Classification No. G-51 – M.D.T.E. No. 1217

Canceling M.D.T.E. No. 1201 and 1205

High Load Factor General Service -Medium

Rate Classification No. G-52 – M.D.T.E. No. 1218

Canceling M.D.T.E. No. 1202 and 1206

High Load Factor General Service - Large

Rate Classification No. G-53 – M.D.T.E. No. 1219

Canceling M.D.T.E. No. 1203 and 1207

High Load Factor General Service – Extra Large

Rate Classification No. G-54 – M.D.T.E. No. 1220

Canceling M.D.T.E. No. 1204

Street Lighting

Rate Classification No. G-7 – M.D.T.E. No. 1221

Canceling M.D.T.E. No. 1104

Outdoor Gas Lighting

Rate Classification No. G-17 – M.D.T.E. No. 1222

Canceling M.D.T.E. No. 1105

Cost of Gas Adjustment Clause – M.D.T.E. No. 1223

Canceling M.D.T.E. No. 1034

Weather Normalization Clause – M.D.T.E. No. 1224

Pension/PBOP Reconciliation Adjustment Clause – M.D.T.E. No. 1225

Sincerely,



A. Leo Silvestrini

Director of Rates and Regulatory Affairs

BOSTON GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1209
Cancels M.D.T.E. No. 1193

Page 1

Residential Non-Heating Rate
Classification No. R-1

Availability: Available to all residential customers who do not have gas space heating equipment. Excludes institutions, hotels, apartments, condominiums and rooming houses in which the individual tenants are not billed separately. Available for gas supplied through one meter for all residential nonheating appliances used in common by the tenants of a single building which contains not more than four (4) dwelling units.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate:

Customer Charge:	\$10.45 Per Month
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Energy Charge during the billing months of:			
November - April			
First	20	Therms Per Month	\$0.6671 Per Therm
Over	20	Therms Per Month	\$0.1438 Per Therm
May - October			
First	10	Therms Per Month	\$0.6671 Per Therm
Over	10	Therms Per Month	\$0.1438 Per Therm

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

A customer who is certified annually by the Department of Food and Agriculture as being eligible for the Farm Discount Program will receive a discount in the amount of ten percent from the charges set forth in this rate schedule.

Issued: April 16, 2003

Effective: May 1, 2003

Issued by N. Stavropoulos, President
52 Second Avenue, Waltham, MA

BOSTON GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1210
Cancels M.D.T.E. No. 1194

Page 2

Residential Assistance Non-Heating Rate
Classification No. R-2

Availability: Available to all residential customers based upon verification of a Customer's receipt of any means-tested public benefit program or verification of eligibility for the low-income home energy assistance program or its successor program, for which eligibility does not exceed 200 percent of the federal poverty level based on a household's gross income or other criteria approved by the Department. The residential customer must be 18 years of age or older, head of household, and a Boston Gas customer of record, and does not have gas space heating equipment. Excludes institutions, hotels, apartments and rooming houses in which the individual tenants are not billed separately.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate:

Customer Charge:	\$6.27 Per Month
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Energy Charge during the billing months of:			
November - April			
First	20 Therms Per Month	\$0.4003	Per Therm
Over	20 Therms Per Month	\$0.0863	Per Therm
May - October			
First	10 Therms Per Month	\$0.4003	Per Therm
Over	10 Therms Per Month	\$0.0863	Per Therm

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

A customer who is certified annually by the Department of Food and Agriculture as being eligible for the Farm Discount Program will receive a discount in the amount of ten percent from the charges set forth in this rate schedule.

Issued: April 16, 2003

Effective: May 1, 2003

Issued by N. Stavropoulos, President
52 Second Avenue, Waltham, MA

BOSTON GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1211

Cancels M.D.T.E. No. 1195

Page 3

Residential Heating Rate
Classification No. R-3

Availability: Available to all residential customers who have gas space heating equipment. Excludes institutions, hotels, apartments and rooming houses in which the individual tenants are not billed separately. Available for gas supplied through one meter for all residential appliances used in common by the tenants of a single building which contains not more than four (4) dwelling units, provided gas is the primary space heating fuel.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate:

Customer Charge:	\$16.98 Per Month
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Energy Charge during the billing months of:			
November - April			
First	150 Therms Per Month	\$0.5261	Per Therm
Over	150 Therms Per Month	\$0.1974	Per Therm
May - October			
First	30 Therms Per Month	\$0.5261	Per Therm
Over	30 Therms Per Month	\$0.1974	Per Therm

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

A customer who is certified annually by the Department of Food and Agriculture as being eligible for the Farm Discount Program will receive a discount in the amount of ten percent from the charges set forth in this rate schedule.

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Effective: May 1, 2003

Issued by N. Stavropoulos, President
52 Second Avenue, Waltham, MA

BOSTON GAS COMPANY
d/b/a KEYSpan ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1212
Cancels M.D.T.E. No. 1196

Page 4

Residential Assistance Heating Rate
Classification No. R-4

Availability: Available to all residential customers based upon verification of a Customer's receipt of any means-tested public benefit program or verification of eligibility for the low-income home energy assistance program or its successor program, for which eligibility does not exceed 200 percent of the federal poverty level based on a household's gross income or other criteria approved by the Department. The residential customer must be 18 years of age or older, head of household, and a Boston Gas customer of record, and does have gas space heating equipment. Excludes institutions, hotels, apartments and rooming houses in which the individual tenants are not billed separately.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate:

Customer Charge:	\$10.19 Per Month
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Energy Charge during the billing months of:			
November - April			
First	150 Therms Per Month	\$0.3157	Per Therm
Over	150 Therms Per Month	\$0.1184	Per Therm
May - October			
First	30 Therms Per Month	\$0.3157	Per Therm
Over	30 Therms Per Month	\$0.1184	Per Therm

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

A customer who is certified annually by the Department of Food and Agriculture as being eligible for the Farm Discount Program will receive a discount in the amount of ten percent from the charges set forth in this rate schedule.

Issued: April 16, 2003

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Issued by N. Stavropoulos, President
52 Second Avenue, Waltham, MA

BOSTON GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1213
Cancels M.D.T.E. No. 1197

Page 5

Low Load Factor General Service Rate - Small
Classification No. G-41

Availability: Available to commercial, industrial and institutional customers whose metered use in the most recent peak period of November through April is greater than or equal to seventy percent of the metered use for the most recent twelve consecutive months of September through August, and whose maximum hourly meter capacity is less than or equal to 500 cubic feet per hour.

In the case of a new customer, or a customer with new gas applications, the peak percentage classification for the first year shall be that agreed upon by the Company and the Customer.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate:

Customer Charge:		\$33.55 Per Month
Energy Charge during the billing months of:		
November - April		\$0.3765 Per Therm
May - October		\$0.3267 Per Therm

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

A customer who is certified annually by the Department of Food and Agriculture as being eligible for the Farm Discount Program will receive a discount in the amount of ten percent from the charges set forth in this rate schedule.

Issued: April 16, 2003

Effective: May 1, 2003

Issued by N. Stavropoulos, President
52 Second Avenue, Waltham, MA

BOSTON GAS COMPANY
d/b/a KEYSpan ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1214
Cancels M.D.T.E. No. 1198

Page 6

Low Load Factor General Service Rate - Medium
Classification No. G-42

Availability: Available to commercial, industrial and institutional customers whose metered use in the most recent peak period of November through April is greater than or equal to seventy percent of the metered use for the most recent twelve consecutive months of September through August, and whose maximum hourly meter capacity is between 501 and 1,500 cubic feet per hour.

In the case of a new customer, or a customer with new gas applications, the peak percentage classification for the first year shall be that agreed upon by the Company and the Customer.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate

Customer Charge:		\$57.58 Per Month
Energy Charge during the billing months of:		
November - April		\$0.2456 Per Therm
May - October		\$0.2361 Per Therm

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

A customer who is certified annually by the Department of Food and Agriculture as being eligible for the Farm Discount Program will receive a discount in the amount of ten percent from the charges set forth in this rate schedule.

Issued: April 16, 2003

Effective: May 1, 2003

Issued by N. Stavropoulos, President
52 Second Avenue, Waltham, MA

BOSTON GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1215
Cancels M.D.T.E. No. 1199

Page 7

Low Load Factor General Service Rate - Large
Classification No. G-43

Availability: Available to commercial, industrial and institutional customers whose metered use in the most recent peak period of November through April is greater than or equal to seventy percent of the metered use for the most recent twelve consecutive months of September through August, and whose maximum hourly meter capacity is between 1,501 and 12,000 cubic feet per hour.

In the case of a new customer, or a customer with new gas applications, the peak percentage classification for the first year shall be that agreed upon by the Company and the Customer.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate:

Customer Charge:	\$139.28 Per Month
Energy Charge during the billing months of:	
November - April	\$0.2019 Per Therm
May - October	\$0.1799 Per Therm

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

A customer who is certified annually by the Department of Food and Agriculture as being eligible for the Farm Discount Program will receive a discount in the amount of ten percent from the charges set forth in this rate schedule.

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52 Second Avenue, Waltham, MA

BOSTON GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1216
Cancels M.D.T.E. No. 1200

Page 8

Low Load Factor General Service Rate - Extra Large
Classification No. G-44

Availability: Available to commercial, industrial and institutional customers whose metered use in the most recent peak period of November through April is greater than or equal to seventy percent of the metered use for the most recent twelve consecutive months of September through August, and whose maximum hourly meter capacity is greater than 12,000 cubic feet per hour.

In the case of a new customer, or a customer with new gas applications, the peak percentage classification for the first year shall be that agreed upon by the Company and the Customer.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate:

Customer Charge:	\$548.67 Per Month
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Energy Charge during the billing months of:	
November - April	\$0.1966 Per Therm
May - October	\$0.1784 Per Therm

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

A customer who is certified annually by the Department of Food and Agriculture as being eligible for the Farm Discount Program will receive a discount in the amount of ten percent from the charges set forth in this rate schedule.

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52 Second Avenue, Waltham, MA

BOSTON GAS COMPANY
d/b/a KEYSpan ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1217
Cancels M.D.T.E. No. 1201 and 1205

Page 9

High Load Factor General Service Rate - Small
Classification No. G-51

Availability: Available to commercial, industrial and institutional customers whose metered use in the most recent peak period of November through April is less than seventy percent of the metered use for the most recent twelve consecutive months of September through August, and whose maximum hourly meter capacity is less than or equal to 500 cubic feet per hour.

In the case of a new customer, or a customer with new gas applications, the peak percentage classification for the first year shall be that agreed upon by the Company and the Customer.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate:

Customer Charge:		\$29.47 Per Month
Energy Charge during the billing months of:		
November - April		\$0.2574 Per Therm
May - October		\$0.2160 Per Therm

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

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BOSTON GAS COMPANY
d/b/a KEYSpan ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1218
Cancels M.D.T.E. No. 1202 and 1206

Page 10

High Load Factor General Service Rate - Medium
Classification No. G-52

Availability: Available to commercial, industrial and institutional customers whose metered use in the most recent peak period of November through April is less than seventy percent of the metered use for the most recent twelve consecutive months of September through August, and whose maximum hourly meter capacity is between 501 and 1,500 cubic feet per hour.

In the case of a new customer, or a customer with new gas applications, the peak percentage classification for the first year shall be that agreed upon by the Company and the Customer.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate:

Customer Charge:		\$50.67 Per Month
Energy Charge during the billing months of:		
November - April		\$0.2088 Per Therm
May - October		\$0.1226 Per Therm

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

A customer who is certified annually by the Department of Food and Agriculture as being eligible for the Farm Discount Program will receive a discount in the amount of ten percent from the charges set forth in this rate schedule.

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52 Second Avenue, Waltham, MA

BOSTON GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1219

Cancels M.D.T.E. No. 1203 and 1207

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High Load Factor General Service Rate - Large
Classification No. G-53

Availability: Available to commercial, industrial and institutional customers whose metered use in the most recent peak period of November through April is less than seventy percent of the metered use for the most recent twelve consecutive months of September through August, and whose maximum hourly meter capacity is between 1,501 and 12,000 cubic feet per hour.

In the case of a new customer, or a customer with new gas applications, the peak percentage classification for the first year shall be that agreed upon by the Company and the Customer.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate:

Customer Charge:	\$126.60 Per Month
Energy Charge during the billing months of:	
November - April	\$0.1890 Per Therm
May - October	\$0.1200 Per Therm

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

A customer who is certified annually by the Department of Food and Agriculture as being eligible for the Farm Discount Program will receive a discount in the amount of ten percent from the charges set forth in this rate schedule.

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BOSTON GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1220
Cancels M.D.T.E. No. 1204

Page 12

High Load Factor General Service Rate - Extra Large
Classification No. G-54

Availability: Available to commercial, industrial and institutional customers whose metered use in the most recent peak period of November through April is less than seventy percent of the metered use for the most recent twelve consecutive months of September through August, and whose maximum hourly meter capacity is greater than 12,000 cubic feet per hour.

In the case of a new customer, or a customer with new gas applications, the peak percentage classification for the first year shall be that agreed upon by the Company and the Customer.

Character of Service:

Natural gas containing not less than 960 B.T.U. per cubic foot.

Distribution Service Rate:

Customer Charge:		\$587.14 Per Month
Energy Charge during the billing months of:		
November - April		\$0.1851 Per Therm
May - October		\$0.1192 Per Therm

Determination of Maximum Daily Contract Quantity (MDCQ)

Each season's MDCQ is redetermined annually. The calculation uses the customers billing history for the previous peak and off-peak seasons. The number of therms used in each billing period is adjusted to a 30-day basis. The highest annual usage is then divided by 21 to determine the MDCQ for each season.

Other Charges for Distribution Service and Minimum Charge:

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment (LDAC) and Energy Conservation Service (ECS) filings, as in effect from time to time and on file with Massachusetts Department of Telecommunications and Energy (M.D.T.E.). The minimum charge per month shall be the sum of the Customer Charge and ECS charge.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the costs set forth in the Company's Seasonal Cost of Gas Adjustment Clause (CGAC) in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Farm Discount:

A customer who is certified annually by the Department of Food and Agriculture as being eligible for the Farm Discount Program will receive a discount in the amount of ten percent from the charges set forth in this rate schedule.

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BOSTON GAS COMPANY
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M.D.T.E. No. 1221

Cancels M.D.T.E. No. 1104

Page 13

Street Lighting Rate
Classification No. G-7

Availability: Available to any customer for gas used for the purpose of street lighting.

Rate: Bills to be rendered monthly.

Fixed Charge Per Lamp:	\$7.69 per month
Running Charge Factor:	
November - April	0.0328 Therms/hour
May - October	0.0328 Therms/hour

Lighting and Extinguishing:

The customer shall furnish the Company with the schedule of burning hours of lamps which he will maintain. Any excess burning hours of lamps, due to the failure of the customer to light and extinguish all lamps within fifteen (15) minutes of the times fixed in such schedule, shall be subject to the running charge.

The number of lamps in service during each calendar year shall be furnished to the Company by the customer on or before the third day of the succeeding month.

Allowance for Inadequate Supply of Gas:

Provided written notice of an inadequate supply of gas to any lamp is received by the Company, a deduction from the monthly charges shall be made in the amount of one half cent (\$.005) per hour for each burning hour during which such inadequate supply of gas continues, except that no such deduction shall be made for the first twenty-four (24) hours after receipt of such notice and no such deduction shall be made for failure of the Company to deliver an adequate supply of gas because of certain frost stoppages in the service pipe which shall be service by the customer or his agent in accordance with the following paragraph.

(Continued on Page 16-A)

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BOSTON GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1221

Cancels M.D.T.E. No. 1104

Page 13-A

Street Lighting Rate
Classification No. G-7 (Continued)

Service: The Company will, except when prevented by circumstances beyond its control, furnish a continuous adequate supply of gas to each lighting fixture, except that any frost stoppage in a service pipe which can be cleared by the use of alcohol (to be supplied by the Company) will be served by the customer or his agent. The lamp, post, burner, pressure regulator and other parts of the gas lamp (except the service pipe to the fixture) are the property of the customer, his principal or agent, and maintenance or repair work performed by the Company (except to the service pipe in the lighting fixture) shall be at the expense of the customer, and any change in location of an installed lamp will be made only at the expense of the customer.

Installation and Discontinuance:

Lamp posts are installed by the Company at the expense of the customer for use at this rate only on the basis of permanent service. A customer may discontinue any lamp or lamps by written notice to the Company, but the customer will be required to pay the entire expense in connection with such discontinuance including the cost of materials, labor, trucking and the restoration of the street or sidewalk surface and to assume all liability arising after such removal.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay the Company's Seasonal Cost of Gas Adjustment (CGA) factor in effect from time to time and on file with the M.D.T.E. The amount will be determined by applying the CGA factor to the terms calculated from the running charge factor above.

Terms and Conditions of Distribution Service:

As in effect from time to time.

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BOSTON GAS COMPANY
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M.D.T.E. No. 1222

Cancels M.D.T.E. No. 1105

Page 14

Outdoor Gas Lighting
Classification No. G-17

Availability: Available to all customers for outdoor gas lighting where a standard gas light is attached to the Company's existing distribution system and when it is not feasible to meter gas for such lighting along with other gas used on the premises and bill the same under the rate in effect for all other service. All such installations shall be on private property.

Character of Service:

Unmetered gas service for outdoor lighting. Natural gas containing not less than 960 B.T.U. per cubic foot.

Rate:

Applicable to each gas light:	
November - April	\$34.12 per month
May - October	\$34.12 per month

Minimum Monthly Charge:

The sum of the rate and the Cost of Gas Adjustment.

Supply Charges:

If the customer purchases its gas from a third party, supply charges will be as agreed upon between the customer and the third party supplier (and may be billed directly by the third party supplier or through the Company as a separate item in the Company's distribution service bills to the customer). If the customer does not purchase its gas from a third party, it will receive Default Service from the Company and will pay \$.22 for each \$.01 per therm of the Company's Seasonal Cost of Gas Adjustment factor in effect from time to time and on file with the M.D.T.E.

Terms and Conditions of Distribution Service:

As in effect from time to time.

Special Provisions:

The customer shall own, install and maintain the post, lamp fixture and mantles.

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**Boston Gas Company d/b/a
Keyspan Energy Delivery New England
Cost of Gas Adjustment Clause**

Section

- 6.01 Purpose
- 6.02 Applicability
- 6.03 Cost of Firm Gas Allowable for CGAC
- 6.04 Effective Date of Gas Adjustment Factor
- 6.05 Definitions
- 6.06 Gas Adjustment Factor Formulae
- 6.07 Gas Suppliers' Refunds - Account 242
- 6.08 Reconciliation Adjustments - Accounts 175
- 6.09 Reconciliation Adjustments - Accounts 142 - Working Capital
- 6.10 Application of GAF to Bills
- 6.11 Information Required to be Filed with the Department
- 6.12 Other Rules
- 6.13 Customer Notification

6.01 Purpose

The purpose of this Cost of Gas Adjustment Clause ("CGAC") is to establish a procedure that allows Boston Gas Company d/b/a Keyspan Energy Delivery New England (the "Company"), subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department") to adjust, on a semiannual basis, its rates for firm gas sales in order to recover costs of gas supplies, along with any taxes applicable to those supplies, pipeline capacity, the costs of local production and storage and other gas supply expenses incurred to procure and transport gas supplies, bad debt expense, and the costs of purchased gas working capital to reflect the seasonal variation in the cost of gas, and to credit to core sales customers all supplier refunds; capacity credits from margins associated with capacity release, off system sales and the lease of downstream assets; and all commodity credits from interruptible sales, noncore gas sales, and the assignment of Canadian gas supply contracts.

6.02 Applicability

This Cost of Gas Adjustment Clause ("CGAC") shall be applicable to the Company and all core throughput made by the Company unless otherwise designated. The application of the clause may, for good cause shown, be modified by the Department. See Section 6.12, "Other Rules".

6.03 Cost of Firm Gas Allowable for CGAC

All costs of firm gas including, but not limited to, commodity costs, taxes on commodity, demand charges, local production and storage costs, other gas supply expenses incurred to procure and transport supplies, and bad debt expense percent from the latest test year, gas used in Company operations, transportation fees, costs associated with buyouts of existing contracts, and purchased gas working capital may be included in the CGAC. Any costs recovered through application of the CGAC shall be identified and explained fully in the annual filing outlined in Section 6.10.

6.04 Effective Date of Gas Adjustment Factor

The date on which the seasonal Gas Adjustment Factors ("GAF") become effective will be the first day of each season as designated by the Company. Unless otherwise notified by the Department, the Company shall submit GAF filings as outlined in Section 6.11 of this clause at least 45 days before they are to take effect.

6.05 Definitions

The following terms shall be defined in this section, unless the context requires otherwise.

- (1) Peak Season for the Company is the winter heating season of November through April.
- (2) Off-Peak Season for the Company is the summer season of May through October.
- (3) Peak Commodity is, unless otherwise approved by the Department, the gas supplies procured by the Company to serve firm load in the peak season including Account 191 deferred gas costs allocated to the Company as a result of the implementation of FERC Order 636.

- (4) Off-Peak Commodity is, unless otherwise approved by the Department, the gas supplies procured by the Company to serve firm load in the off-peak season including Account 191 deferred gas costs allocated to the Company as a result of the implementation of FERC Order 636.
- (5) Peak Demand is, unless otherwise approved by the Department, the storage and transmission capacity procured by the Company to serve firm load in the peak season.
- (6) Off-Peak Demand is, unless otherwise approved by the Department, the storage and transmission capacity procured by the Company to serve firm load in the off-peak season.
- (7) Local Production and Storage Costs include the costs of providing storage service from Company-owned storage (i.e., LNG and LPG) as determined in the Company's most recent base rate proceeding.
- (8) Deliverability Percent is the percent of downstream production and storage service from Company-owned storage (i.e., LNG and LPG) used for system deliverability as determined by the Department from time to time.
- (9) Other Gas Supply Expenses include the costs incurred by the Company in its most recent test year to procure and transport gas supplies to the Company's city gate.
- (10) Commodity Credits are the commodity cost of gas assigned to non-core sales to which the GAF is not applied. Non-core sales include sales made under interruptible contracts, non-core contracts.
- (11) Inventory Finance Charges are as billed in each peak season for annual charges. The total shall represent an accumulation of the projected charges as calculated using the monthly average of financed inventory at the existing (or anticipated) financing rate through a trust or other financing vehicle.
- (12) Proportional Responsibility Allocator is the percentage allocator for peak period capacity charges as determined in the Company's most recent base rate case for total firm load.
- (13) Purchased Gas Working Capital is the allowable working capital derived from peak and off-peak, demand and commodity related costs.

-
- (14) Number of Days Lag is the number of days lag to calculate the purchased gas working capital requirement as approved by the Department.
 - (15) Tax Rate is the combined state and federal income tax rate.
 - (16) Weighted Cost of Capital is the weighted cost of capital as set in the Company's most recent base rate case.
 - (17) Cost of Debt is the weighted cost of debt as set in the Company's most recent base rate case.
 - (18) Cost of Equity is the weighted cost of equity as set in the Company's most recent base rate case.
 - (19) Peak Period Reconciliation Date for the Company will be coincident to the next peak period GAF filing, 45 days prior to the next peak period effective date.
 - (20) Off-Peak Period Reconciliation Date for the Company will be coincident to the next off-peak period GAF filing, 45 days prior to the next off-peak period effective date.
 - (21) Bad Debt Expense is the uncollectable expense attributed to the Company's gas costs.
 - (22) Capacity Credits are the economic benefits derived from noncore sales of gas.
 - (23) Economic Benefit is the difference between the revenue and the marginal cost determined to service noncore customers.

6.06 Gas Adjustment Factor Formulae:

Peak Formulae:

The Peak GAF shall be comprised of a peak demand factor, a peak commodity factor, and a peak bad debt factor calculated at the beginning of the peak season according to the following formulae:

$$\text{GAFp} = \text{DFp} + \text{CFp} + \text{BDFp}$$

Peak Demand Factor (DFp) Formulae:

$$\text{DFp} = \frac{\text{Dp} - \text{CCp} + \text{RApd} - \text{RApcc}}{\text{P:TPvol}} + \text{WCFpd} - \text{R1d} - \text{R2d}$$

and:

$$\text{Dp} = \text{Sum:PD} + (\text{PS} * \text{PSP}) + (\text{Sum:AD} * \text{PR})$$

and:

$$\text{CCp} = \text{Sum:CM} * \text{PR}$$

and:

$$\text{WCFpd} = \frac{(\text{WCApd} * \text{CC}) - (\text{WCApd} * \text{CD})}{(1 - \text{TR}) + (\text{WCApd} * \text{CD}) + \text{WCRpd} + \text{WCRpcc}} \cdot \text{P:TPvol}$$

and:

$$\text{WCApd} = \text{Dp} * (\text{DL}/365)$$

Where:

Dp Demand Charges allocated to the peak period as defined in Section 6.08

CCp Capacity Credits allocated to the peak period as defined in Section 6.05

RApd Peak demand charge reconciliation adjustment - Account 175.20 balance, inclusive of the associated Account 175.20 interest, as outlined in section 6.08.

RApcc Peak Capacity Credit Reconciliation Adjustment - Account 175.56 balance, inclusive of the associated Account 175.56 interest, as outlined in section 6.08.

P:TPvol	Forecasted billed through-put volumes associated with the peak period inclusive of sales and transportation electing standby.
PD	Demand Charges billed to the Company for peak period capacity as defined in section 6.05
AD	Demand Charges billed to the Company for year round capacity as defined in section 6.05.
PS	Test year downstream production and storage costs as defined in section 6.05.
PSP	Percent of downstream production and storage costs not used for distribution system deliverability, as defined in section 6.05.
PR	Proportional Responsibility allocator as defined in section 6.05.
CM	Economic benefit derived from non-core sales as defined in section 6.05.
WCFpd	Working Capital allowable per billed peak through put volume associated with demand charges allocated to the peak period as defined in Section 6.09.
WCApd	Demand charges allowable for working capital application as defined in section 6.09.
CC:	Weighted cost of capital as defined in section 6.05.
CD:	Weighted cost of debt as defined in section 6.05.
CE:	Weighted cost of equity as defined in section 6.05.
TR:	Combined Tax rate as defined in section 6.05.
WCRpd	Working Capital reconciliation adjustment associated with peak demand charges - Account 142.20 balance as outlined in section 6.09.
WCRpcc	Working Capital reconciliation adjustment associated with peak capacity credits - Account 142.56 balance as outlined in section 6.09.
DL:	Number of days lag from the purchase of gas from suppliers to the payment by customers.
R1d, R2d	Per unit supplier refunds from pipeline demand charges- The per-unit supplier refunds associated with refund program credits derived from Account 242.1, "Undistributed Gas Suppliers' Refunds". See section 6.07.

Peak Commodity Factor (CF) Formulae:

$$CF_p = \frac{C_p - COM_p + I + RA_{pc}}{P:Sales} + WCF_{pc} - R1c - R2c$$

and:

$$C_p = Sum:PC + BO_{ao} - INJ - LIQ + OGSp$$

and:

$$BO_{ao} = BO_{op} - (BO_{vol} * (TPop/TPvolop))$$

and:

$$WCF_{pc} = \frac{\frac{(WCA_{pc} * CC) - (WCA_{pc} * CD)}{(1 - TR) + (WCA_{pc} * CD)} + WCR_{pc}}{P:Sales}$$

and:

$$WCA_{pc} = C_p * (DL/365)$$

Where:

- C_p Commodity Charges allocated to the peak period as defined in Section 6.08.
- COM_p Commodity Credits allocated to the peak period as defined in Section 6.05.
- I Inventory finance charges as defined in Section 6.05.
- RA_{pc} Peak commodity charge reconciliation adjustment - Account 175.60 balance, inclusive of the associated Account 175.60 interest, as outlined in section 6.08.
- $P:Sales$ Forecasted sales volumes associated with the peak period.
- PC Commodity charges assigned to the peak period as defined in section 6.05.
- INJ Injections into storage.
- LIQ Liquifactions into storage.
- $OGSp$ Other gas supply expenses associated with the procurement and transportation of commodity supplies in the peak period as defined in section 6.05.
- BO_{ao} LNG Boil-off allocation as defined in section 6.08.
- BO_{op} LNG Boil-off charges for the off-peak period.
- BO_{vol} LNG Boil-off volumes in the off-peak period

- TPop Total pipeline commodity charges for the off-peak period.
- TPvolop Total pipeline commodity volumes for the off-peak period.
- WCFpc Working Capital allowable per peak sales volume associated with commodity charges allocated to the peak period as defined in Section 6.09.
- WCApc Commodity charges allowable for working capital application as defined in section 6.10.
- CC: Weighted cost of capital as defined in section 6.05.
- CD: Weighted cost of debt as defined in section 6.05.
- TR: Combined Tax rate as defined in section 6.05.
- WCRpc Working Capital reconciliation adjustment associated with peak commodity charges - Account 142.2 balance as outlined in section 6.09.
- DL: Number of days lag from the purchase of gas from suppliers to the payment by customers.
- R1c, R2c Per unit supplier refunds from pipeline commodity charges- The per-unit supplier refunds associated with refund program credits derived from Account 242.2, "Undistributed Gas Suppliers' Refunds". See section 6.07.

Peak Bad Debt Formula

$$\text{BDFp} = \frac{\text{BDp} + \text{Rapbd} + \text{WCFpbd}}{\text{P: Sales}}$$

and:

$$\text{WCFpbd} = \frac{(\text{WCApbd} * \text{CC}) - (\text{WCApbd} * \text{CD})}{(1 - \text{TR}) + (\text{WCApbd} * \text{CD}) + \text{WCRpbd}} \text{P:Sales}$$

and:

$$\text{WCApbd} = \text{BDp} * (\text{DL}/365)$$

Where:

- BDp Peak Bad Debt Expense as defined in Section 6.05.
- RApbd Peak Bad Debt Expense reconciliation adjustment - Account 175.52 balance.
- P: Sales Peak forecasted sales volumes.

WCFpc Working Capital allowable per peak sales volume associated with bad debt allocated to the peak period as defined in Section 6.09.

WCApbd Bad Debt allowable for working capital application as defined in section 6.10.

CC: Weighted cost of capital as defined in section 6.05.

CD: Weighted cost of debt as defined in section 6.05.

TR: Combined Tax rate as defined in section 6.05.

WCRpbd Working Capital reconciliation adjustment associated with peak bad debt - Account 142.52 balance as outlined in section 6.09.

DL: Number of days lag from the purchase of gas from suppliers to the payment by customers.

Off-Peak GAF Formula:

The Off-Peak GAF shall be comprised of an off-peak demand factor, an off-peak commodity factor and an off peak bad debt factor calculated at the beginning of the off-peak season according to the following formulae:

$$\text{GAFop} = \text{DFop} + \text{Cfop} + \text{BDFop}$$

Off-Peak Demand Factor (DFop) Formulae:

$$\text{DFop} = \frac{\text{Dop} - \text{CCop} + \text{RAopd} - \text{RAopcc}}{\text{OP:TPvol}} + \text{WCFopd} - \text{R1d} - \text{R2d}$$

and:

$$\text{CCop} = \text{Sum: CM} * (1 - \text{PR})$$

and:

$$\text{Dop} = \text{Sum: AD} * (1 - \text{PR})$$

and:

$$\text{WCFopd} = \frac{(\text{WCAopd} * \text{CC}) - (\text{WCAopd} * \text{CD})}{(1 - \text{TR}) + (\text{WCAopd} * \text{CD}) + \text{WCRopd} + \text{WCRopcc}} \text{OP:TPvol}$$

and:

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$$\text{WCAopd} = \text{Dop} * (\text{DL}/365)$$

Where:

- Dop Demand charges allocated to the off-peak period as defined in section 6.08.
- CCop Capacity Credits allocated to the off peak period as defined in Section 6.05
- PR Proportional Responsibility allocator as defined in section 6.05.
- CM Economic benefit derived from non-core sales as defined in section 6.05.
- RAopd Off-peak demand charge reconciliation adjustment - Account 175.40 balance, inclusive of the associated Account 175.40 interest, as outlined in section 6.08.
- RAopcc Off-peak capacity credit reconciliation adjustment - Account 175.58 balance, inclusive of the associated Account 175.58 interest, as outlined in section 6.08.
- OP:TPvol Forecasted billed through-put volumes associated with the off-peak period inclusive of sales and transportation electing standby.
- AD Demand charges billed to the Company for year round capacity as defined in section 6.05.
- WCFopd Working Capital allowable per billed off-peak through put associated with demand charges allocated to the off-peak period as defined in Section 6.09.
- WCAopd Demand charges allowable for working capital application as defined in section 6.09.
- CC: Weighted cost of capital as defined in section 6.05.
- CD: Weighted cost of debt as defined in section 6.05.
- CE: Weighted cost of equity as defined in section 6.05.
- TR: Combined Tax rate as defined in section 6.05.
- WCRopd Working Capital reconciliation adjustment associated with off-peak demand charges - Account 142.40 balance as outlined in section 6.09.
- WCRopcc Working Capital reconciliation adjustment associated with off-peak capacity credit - Account 142.58 balance as outlined in section 6.09.
- WCAopd Capacity Credit allowable for working capital application as defined in section 6.09.
- DL: Number of days lag from the purchase of gas from suppliers to the payment by customers.

R1d, R2d Per unit supplier refunds from pipeline demand charges - The per-unit supplier refunds associated with refund program credits derived from Account 242.1, "Undistributed Gas Suppliers' Refunds". See section 6.07.

Off-Peak Commodity Factor (CFop) Formulae:

$$CFop = \frac{Cop - COMop + RAopc}{OP:Sales} + WCFopc - R1c - R2c$$

and:

$$Cop = \text{Sum: OPC} - BOao - INJ - LIQ + OGSop$$

and:

$$BOao = BOop - (BOvol * (TPop/TPvolop))$$

and:

$$WCFopc = \frac{\frac{(WCAopc * CC) - (WCAopc * CD)}{1 - TR} + (WCAopc * CD) + WCRopc}{OP:Sales}$$

and:

$$WCAopc = Cop * (DL/365)$$

Where:

- Cop Commodity Charges billed to the off-peak period as defined in Section 6.05.
- COMop Commodity Credits allocated to the off-peak period as defined in Section 6.05.
- RAopc Off peak commodity charge reconciliation adjustment - Account 175.80 balance, inclusive of the associated Account 175.80 interest, as outlined in section 6.08.
- OP:Sales Forecasted sales volumes associated with the off-peak period.
- OPC Commodity charges assigned to the off-peak period as defined in section 6.05.
- BOao LNG Boil-off allocation as defined in section 6.05.
- INJ Injections into storage.

LIQ	Liquifactions into storage.
OGSop	Other gas supply expenses associated with the procurement of commodity supplies in the off-peak as defined in section 6.05.
TPop	Total pipeline commodity purchase charges for the off-peak period.
TPvolop	Total pipeline purchase volumes for the off-peak period.
WCFopc	Working Capital allowable per off-peak sales volume associated with commodity charges allocated to the off-peak period as defined in Section 6.09.
WCAopc	Commodity charges allowable for working capital application as defined in section 6.10.
CC:	Weighted cost of capital as defined in section 6.05.
CD:	Weighted cost of debt as defined in section 6.05.
TR:	Combined Tax rate as defined in section 6.05.
WCRopc	Working Capital reconciliation adjustment associated with off-peak commodity charges - Account 142.2 balance as outlined in section 6.09.
DL:	Number of days lag from the purchase of gas from suppliers to the payment by customers.
R1c, R2c	Per unit supplier refunds from pipeline commodity charges- The per-unit supplier refunds associated with refund program credits derived from Account 242.2, "Undistributed Gas Suppliers' Refunds". See section 6.07.

Off Peak Bad Debt Formula

$$\text{BDFop} = \frac{\text{BDop} + \text{Raopbd}}{\text{P: Sales}} + \text{WCFopbd}$$

and:

$$\text{WCFopbd} = \frac{(\text{WCAopbd} * \text{CC}) - (\text{WCAopc} * \text{CD})}{(1 - \text{TR}) + (\text{WCAopbd} * \text{CD}) + \text{WCRopbd}} \text{P:Sales}$$

and:

$$\text{WCAopbd} = \text{BDop} * (\text{DL}/365)$$

Where:

Bdop	Off Peak Bad Debt Expense as defined in Section 6.05.
RAopbd	Off Peak Bad Debt Expense reconciliation adjustment - Account 175.54 balance.
P: Sales	Off Peak forecasted sales volumes.
WCFopbd	Working Capital allowable per Off Peak sales volume associated with commodity charges allocated to the Off Peak period as defined in Section 6.09.
WCAopbd	Bad Debt allowable for working capital application as defined in section 6.10.
CC:	Weighted cost of capital as defined in section 6.05.
CD:	Weighted cost of debt as defined in section 6.05.
TR:	Combined Tax rate as defined in section 6.05.
WCRopbd	Working Capital reconciliation adjustment associated with Off Peak bad debt - Account 142.54 balance as outlined in section 6.09.
DL:	Number of days lag from the purchase of gas from suppliers to the payment by customers.

6.07 Gas Suppliers' Refunds - Accounts 242.1 and 242.2

Refunds from suppliers of capacity are credited to account 242.1, "Undistributed Purchased Capacity Refunds". Refunds from suppliers of gas and feed stocks are credited to account 242.2, "Undistributed Gas Suppliers' Refunds". Refunds associated with FERC Order 636 transition costs will not be credited to either 242 accounts, but will be credited directly to Account 175.46 - Transition Costs. Transfers from accounts 242.1 and 242.2 will reflect as a credit in the semiannual calculation of the GAF to be calculated as follows:

Refund programs shall be initiated with each semiannual GAF filing and shall remain in effect for a period of one year. The total dollars to be placed into a given refund program shall be net of over/under-returns from expired programs plus moneys received from suppliers since the previous program was initiated. Moneys to be refunded through each program shall be segregated by demand and commodity charges and distributed volumetrically, producing per-unit refund factors that will return the principal amount with interest as calculated using the Fleet Bank prime lending rate. Each Company shall track and report all account 242.1 and account 242.2 activities as specified in Section 6.11.

6.08 Reconciliation Adjustments - Account 175

(1) The following definitions pertain to reconciliation adjustment calculations:

(a) Capacity Costs Allowable Per Peak Demand Formula shall be:

- i. Charges associated with upstream storage and transmission capacity procured by the Company to serve firm load in the peak season (PD).
- ii. Charges associated with upstream storage and transmission capacity procured by the Company to serve firm load year round and allocated to the peak by applying the total firm proportional responsibility allocator for the peak period from the Company's most recent base rate case (AD * PR).
- iii. Charges associated with local production and storage capacity in service to serve firm load in the peak season from the Company's most recent test year multiplied by the percentage allocated to sales storage service (PS * PSP).
- iv. Account 175.20 - Peak demand, interest charges.

(b) Gas Costs Allowable Per Peak Commodity Formula shall be:

- i. Charges associated with gas supplies, including any applicable taxes, purchased by the Company to serve firm load in the peak season, plus a reallocation of LNG boiloff costs from the off-peak season, determined by the product of the difference in the average cost of pipeline purchases during the off-peak period and the average cost of LNG boiloff in the off-peak period times the LNG boiloff volumes purchased in the off-peak period, less the cost of injections and liquifactions into storage (Cp).
- ii. Charges associated with other gas supply expenses incurred to procure and transport gas supplies to serve firm load in the peak season from the Company's most recent test year (OGS).
- iii. Peak commodity credits allocated for gas costs sent out to serve non-core customers to which the CGAC does not apply, as defined in section 6.05 (COMp).
- iv. Inventory finance charges (I).
- v. Account 175.60 - Peak commodity, interest charges.

- (c) Gas Costs Allowable Per Off-Peak Commodity Formula shall be:
- i. Charges associated with gas supplies, including any applicable taxes, procured by the Company to serve firm load in the off-peak season, less the reallocation of LNG boiloff costs determined by the product of the difference in the average cost of pipeline purchases during the off-peak period and the average cost of LNG boiloff in the off-peak period times the LNG boiloff volumes purchased in the off-peak period, less the cost of injections and liquifactions into storage (Cop).
 - ii. Charges associated with other gas supply expenses incurred to procure and transport gas supplies to serve firm load in the off-peak season from the Company's most recent test year (OGS).
 - iii. Off-Peak commodity credits allocated for gas costs sent out to serve non-core customers to which the CGAC does not apply, as defined in section 6.05 (COMp).
 - iv. Account 175.80 - Off-peak commodity, interest charges.
- (d) Costs Allowable Per Peak Bad Debt Formula shall be:
- i. Costs associated with uncollected gas costs, including any applicable taxes, incurred by the Company to serve firm load in the peak season.
 - ii. Account 175.52 - Peak Bad Debt, interest charges.
- (e) Costs Allowable Per Off Peak Bad Debt Formula shall be:
- i. Costs associated with uncollected gas costs, including any applicable taxes, incurred by the Company to serve firm load in the off peak season.
 - ii. Account 175.52 - Off Peak Bad Debt, interest charges.
- (f) Credits Allowable Per Peak Capacity Credit Formula shall be:
- i. Credits associated with the economic benefits derived from the noncore sale of gas refunded to core customers by the Company in the peak season.
 - ii. Account 175.56 - Peak Capacity Credits, interest charges.
- (g) Credits Allowable Per Off Peak Capacity Credit Formula shall be:
- i. Credits associated with the economic benefits derived from the noncore sale of gas refunded to core customers by the Company in the peak season.

ii Account 175.58 - Off Peak Capacity Credits, interest charges.

- (h) WACOD (Weighted Average Cost of Demand) equals the demand factor for each season (DFp and DFop) as computed in section 6.06. This figure is used as the convention for recognizing revenues toward each season's demand costs.
- (i) WACCOG (Weighted Average Commodity Cost of Gas) equals the commodity factor for each season as computed in section 6.06. This figure is used as the convention for recognizing revenues toward each season's commodity costs.

(2) Calculation of the Reconciliation Adjustments

Account 175 contains the accumulated difference between gas cost revenues and the actual monthly gas costs incurred by the Company. The Company shall separate Account 175 into peak demand (Account 175.20), peak commodity (Account 175.60), off-peak demand (Account 175.40), off-peak commodity (Account 175.80), peak bad debt (Account 175.52), off peak bad debt (Account 175.54), peak capacity credit (Account 175.56) and off peak capacity credit (Account 175.56). Account 175.20 shall contain the accumulated difference between revenues toward capacity costs as calculated by multiplying the peak WACOD times monthly firm through put volumes . Account 175.60 shall contain the accumulated difference between revenues toward gas costs as calculated by multiplying the peak WACCOG times monthly firm sales volumes and gas costs allowed per peak commodity formula. Account 175.40 shall contain the accumulated difference between revenues toward capacity costs as calculated by multiplying the off-peak WACOD times monthly firm throughput volumes and capacity costs allowable per off-peak demand formula. Account 175.80 shall contain the accumulated difference between revenues toward gas costs as calculated by multiplying the off-peak WACCOG times monthly firm sales volumes and gas costs allowed per off-peak commodity formula.

Account 175.52 shall contain the accumulated difference between revenues toward bad debt as calculated by multiplying the peak bad debt factor times monthly firm sales volumes and bad debt allowed per peak bad debt formula. Account 175.54 shall contain the accumulated difference between revenues toward bad debt as calculated by multiplying the off peak bad debt factor times monthly firm sales volumes and bad debt allowed per off peak bad debt formula.

The peak demand reconciliation adjustment (RApd - as defined in Section 6.06) shall be determined for use in the peak GAF calculations incorporating the peak demand account

(175.20) balance as of the peak reconciliation date as designated by the Company. The peak commodity reconciliation adjustment (RApc - as defined in Section 6.06) shall be determined for use in the peak GAF calculations incorporating the peak commodity account (175.60) balance as of the peak reconciliation date as designated by the Company. The off-peak demand reconciliation adjustment (RAopd - as defined in Section 6.06) shall be determined for use in the off-peak GAF calculations incorporating the off-peak demand account (175.40) balance as of the off-peak reconciliation date as designated by the Company. The off-peak commodity reconciliation adjustment (RAopc - as defined in Section 6.06) shall be determined for use in the off-peak GAF calculations incorporating the off-peak commodity account (175.80) balance as of the off-peak reconciliation date as designated by the Company.

The peak bad debt reconciliation adjustment (RApbd - as defined in Section 6.06) shall be determined for use in the peak GAF calculations incorporating the peak bad debt account (175.52) balance as of the peak reconciliation date as designated by the Company. The off-peak bad debt reconciliation adjustment (RAopbd - as defined in Section 6.06) shall be determined for use in the off-peak GAF calculations incorporating the off-peak bad debt account (175.54) balance as of the off-peak reconciliation date as designated by the Company. The peak capacity reconciliation adjustment (RApcc - as defined in Section 6.06) shall be determined for use in the peak GAF calculations incorporating the peak capacity credit account (175.56) balance as of the peak reconciliation date as designated by the Company. The off-peak capacity reconciliation adjustment (RAopcc - as defined in Section 6.06) shall be determined for use in the off-peak GAF calculations incorporating the off-peak capacity account (175.58) balance as of the off-peak reconciliation date as designated by the Company.

6.09 Reconciliation Adjustments - Account 142

- (1) The following definitions pertain to reconciliation adjustment calculations:
 - (a) Working Capital Gas Costs Allowable Per Peak Demand Formula shall be:
 - i. Charges associated with upstream storage and transmission capacity procured by the Company to serve firm load in the peak season (PD).
 - ii. Charges associated with upstream storage and transmission capacity procured by the Company to serve firm load year round and allocated to the peak by applying the total firm proportional responsibility allocator for the peak period from the Company's most recent base rate case (AD * PR).

iii. Charges associated with local production and storage capacity in service to serve firm load in the peak season from the Company's most recent test year times the percent allocated to sales storage service (PS * PSP).

iv. Account 142.20 interest charges.

(b) Working Capital Gas Costs Allowable Per Peak Commodity Formula shall be:

- i. Charges associated with gas supplies, including any applicable taxes, purchased by the Company to serve firm load in the peak season, plus a reallocation of LNG boiloff costs from the off-peak season, determined by the product of the difference in the average cost of pipeline purchases during the off-peak period and the average cost of LNG boiloff in the off-peak period times the LNG boiloff volumes purchased in the off-peak period, less the cost of injections and liquifactions into storage (Cp).
- ii. Charges associated with other gas supply expenses incurred to procure and transport gas supplies to serve firm load in the peak season from the Company's most recent test year (S).
- iii. Account 142.60 interest charges.

(c) Working Capital Gas Costs Allowable Per Off-Peak Demand Formula shall be:

- i. Charges associated with upstream storage and transmission capacity procured by the Company to serve firm load year round and allocated to the off-peak by applying the total firm proportional responsibility allocator for the off-peak period from the Company's most recent base rate case (Dop).
- ii. Account 142.40 interest charges.

- (d) Working Capital Gas Costs Allowable Per Off-Peak Commodity Formula shall be:
 - i. Charges associated with gas supplies, including any applicable taxes, procured by the Company to serve firm load in the off-peak season, less the reallocation of LNG boiloff costs determined by the product of the +difference in the average cost of pipeline purchases during the off-peak period and the average cost of LNG boiloff in the off-peak period times the LNG boiloff volumes purchased in the off-peak period, less the cost of injections and liquifactions into storage (Cop).
 - ii. Charges associated with other gas supply expenses incurred to procure and transport gas supplies to serve firm load in the off-peak season from the Company's most recent test year (OGS).
 - iii. Account 142.80 interest charges.
- (e) Working Capital Gas Costs Allowable Per Peak Bad Debt Formula shall be:
 - i. Charges associated with bad debt incurred by the Company to serve firm load in the peak period.
 - ii. Account 142.52 interest charges.
- (f) Working Capital Gas Costs Allowable Per Off Peak Bad Debt Formula shall be:
 - i. Charges associated with bad debt incurred by the Company to serve firm load in the off peak period.
 - ii. Account 142.54 interest charges.
- (g) Working Capital Allowable Per Peak Capacity Credit Formula shall be:
 - i. Charges associated with capacity credits refunded by the Company to serve firm load in the peak period.
 - ii. Account 142.56 interest charges.
- (h) Working Capital Allowable Per Off Peak Capacity Credit Formula shall be:
 - i. Charges associated with capacity credits refunded by the Company to serve firm load in the off peak period.
 - ii. Account 142.58 interest charges.

- (2) The peak and off-peak, demand, commodity, and bad debt cost working capital requirements shall be calculated by applying the Company's days lag divided by

365 days to the working capital costs allowable per each formula (a), (b), (c), (d), and (e), (f), (g), and (h). (3) The peak and off-peak demand, commodity, bad debt and working capital allowances shall each be calculated by applying the Company's weighted cost of capital requirement (2) to calculate the respective returns on working capital. The interest portion of each working capital allowance is calculated by multiplying each working capital requirement (2) by the weighted cost of debt. This portion is tax deductible. The return on each working capital less the interest portion of each working capital is then divided by one minus the tax rate. This figure plus the interest calculated above equals the working capital allowance for each.

(3) Calculation of the Reconciliation Adjustments

Accounts 142.20, 142.40, 142.60, 142.80, 142.52, 142.54, 142.56, and 142.58, contain the accumulated difference between working capital allowance revenues and the actual monthly working capital allowance costs as calculated from actual monthly costs for the Company. The components of the Company's purchased gas days lag shall be recalculated each season based upon actual CGAC seasonal data. This recalculated days lag will be used in the calculation of the working capital allowance revenues. Each Account 142 shall contain the accumulated difference between revenues toward the working capital allowance and the working capital allowance.

A peak demand working capital reconciliation adjustment (WCRpd - as defined in Section 6.06) shall be determined for use in the peak demand factor calculations incorporating the peak demand working capital account (142.20) balance as of the peak reconciliation date designated by the Company. A peak commodity working capital reconciliation adjustment (WCRpc - as defined in Section 6.06) shall be determined for use in the peak commodity factor calculations incorporating the peak commodity working capital account (142.60) balance as of the peak reconciliation date designated by the Company. An off-peak demand working capital reconciliation adjustment (WCRopd - as defined in Section 6.06) shall be determined for use in the off-peak demand factor calculations incorporating the off-peak demand working capital account (142.40) balance as of the off-peak reconciliation date designated by the Company. An off-peak commodity working capital reconciliation adjustment (WCRopc - as defined in Section 6.06) shall be determined for use in the off-peak commodity working capital account (142.80) balance as of the off-peak reconciliation date designated by the Company.

A peak bad debt working capital reconciliation adjustment (WCRpbd - as defined in Section 6.06) shall be determined for use in the peak bad debt factor

calculations incorporating the peak bad debt working capital account (142.52) balance as of the peak reconciliation date designated by the Company. An off-peak bad debt working capital reconciliation adjustment (WCRopbd - as defined in Section 6.06) shall be determined for use in the off-peak bad debt factor calculations incorporating the off-peak bad debt working capital account (142.54) balance as of the off-peak reconciliation date designated by the Company. A peak capacity credit working capital reconciliation adjustment (WCRpcc - as defined in Section 6.06) shall be determined for use in the peak capacity credit factor calculations incorporating the peak capacity credit working capital account (142.56) balance as of the peak reconciliation date designated by the Company. An off-peak capacity credit working capital reconciliation adjustment (WCRopcc - as defined in Section 6.06) shall be determined for use in the off-peak capacity credit factor calculations incorporating the off-peak capacity working capital account (142.58) balance as of the off-peak reconciliation date designated by the Company.

6.10 Application of GAF to Bills

The Company will employ the GAFs as follows:

- (1) For Sales Customers- The peak season rates to customers shall be calculated by adding the peak demand factor, the peak commodity factor and the peak bad debt factor for each sector. The off-peak season rates to customers shall be calculated by adding the off-peak demand factor, the off-peak commodity factor, and the off peak bad debt factor for each sector. The seasonal GAFs (\$/therm) for each sector shall be calculated to the nearest hundredth of a cent per unit and will be applied to each customer's monthly sales volumes.

6.11 Information Required to be Filed with the Department

Information pertaining to the cost of gas adjustment shall be filed with the Department in accordance with the standardized forms approved by the Department. Required filings include a monthly report which shall be submitted to the Department on the twentieth of each month, and a semiannual GAF filing which shall be submitted to the Department at least 45 days before the date on which a new GAF is to be effective, and an annual RAC filing which shall be submitted to the Department at least 90 days before the date on which the new GAF is to be effective.

Additionally, each Company shall file with the Department a complete list by (sub)account of all gas costs claimed as recoverable through the CGAC over the previous season, as included in the seasonal reconciliation. This information shall be submitted with each seasonal GAF filing, along with complete documentation of the reconciliation adjustment calculations.

6.12 Other Rules

- (1) The Department may where appropriate, on petition or on its own motion, grant an exception from the provisions of these regulations, upon such terms that it may determine to be in the public interest.
- (2) The Company may, at any time, file with the Department an amended GAF. An amended GAF filing must be submitted 10 days before the first billing cycle of the month in which it is proposed to take effect.
- (3) The Department may at any time require a gas company to file an amended GAF.
- (4) The operation of the cost of gas adjustment clause is subject to all powers of suspension and investigation vested in the Department by G.L. c. 164.

6.13 Customer Notification

The Company will notify customers in simple terms of changes to the GAF, including the nature of the change and the manner in which the GAF is applied to the bill. In the absence of a standard format, the Company will submit this notice for approval at the time of each GAF filing. Upon approval by the Department, the Company must immediately distribute these notices to all of its customers either through direct mail or with its bills.

AMENDMENTS TO
UNIFORM SYSTEM OF ACCOUNTS FOR GAS COMPANIES

- 175.20 Peak Demand Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between peak demand gas revenues and peak demand gas costs. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.09.
- 175.60 Peak Commodity Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between peak commodity gas revenues and peak commodity gas costs. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.09.
- 175.40 Off-Peak Demand Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between off-peak demand gas revenues and off-peak demand gas costs. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.09.
- 175.80 Off-Peak Commodity Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between off-peak commodity gas revenues and off-peak commodity gas costs. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.09.
- 175.52 Peak Bad Debt Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between peak bad debt revenues and peak bad debt costs. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.09.
- 175.54 Off Peak Bad Debt Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between off peak bad debt revenues and off peak bad debt costs. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.09.
- 175.56 Peak Capacity Credit Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between peak capacity credits refunds and peak capacity credits allowed. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.09.

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- 175.58 Off Peak Capacity Credit Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between off peak capacity credits refunds and off peak capacity credits allowed. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.09.
- 142.20 Peak Demand Gas Working Capital Allowance Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between peak demand gas working capital allowance revenues and peak demand gas working capital allowance. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.10.
- 142.60 Peak Commodity Gas Working Capital Allowance Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between peak commodity gas working capital allowance revenues and peak commodity gas working capital allowance. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.10.
- 142.40 Off-Peak Demand Gas Working Capital Allowance Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between off-peak demand gas working capital allowance revenues and off-peak demand gas working capital allowance. Entries to this account shall be determined as outlined in the Standard Cost of Gas Adjustment Clause, 220 C.M.R. 6.10.
- 142.80 Off-Peak Commodity Gas Working Capital Allowance Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between off-peak commodity gas working capital allowance revenues and off-peak commodity gas working capital allowance. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.10.
- 142.52 Peak Bad Debt Gas Working Capital Allowance Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between peak bad debt working capital allowance revenues and peak bad debt working capital allowance. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.10.

142.54 Off Peak Bad Debt Gas Working Capital Allowance Reconciliation Adjustment for CGAC

This account shall be used to record the cumulative difference between off peak bad debt working capital allowance revenues and off peak bad debt working capital allowance. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.10.

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- 142.56 Peak Capacity Credit Working Capital Allowance Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between peak capacity credit working capital allowance refunded and peak capacity credit working capital allowance. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.10.
- 142.58 Off Peak Capacity Credit Working Capital Allowance Reconciliation Adjustment for CGAC
This account shall be used to record the cumulative difference between off peak capacity credit working capital allowance refunded and off peak capacity credit working capital allowance. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.10.
- 242.10 Undistributed Capacity Suppliers' Refunds
This account will be used to record the refunds from suppliers of pipeline capacity. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.08.
- 242.20 Undistributed Gas Suppliers' Refunds
This account will be used to record the refunds from suppliers of gas and feed stocks. Entries to this account shall be determined as outlined in the Cost of Gas Adjustment Clause, 220 C.M.R. 6.08.

BOSTON GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND

M.D.T.E. No. 1224

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Weather Normalization Clause

Applicability: All gas delivered to firm sales and transportation customers billed under Rate Classifications R-1, R-2, R-3, R-4, G-41, G-42, G-43, G-44, G-51, G-52, G-53 and G-54 shall be subject to a Weather Normalization Adjustment (WA) to reflect the impact of degree day variations from normal levels, as determined on a billing month basis, for the months of November through October, inclusive.

Weather Normalization Adjustment (WA) Formula:

$$\text{WA (\$/therm)} = \text{TBM} * \frac{\text{DDF} * [(\text{NDD} +/- (\text{NDD} * .02)) - \text{ADD}]}{(\text{BD} * \text{BLF}) + (\text{ADD} * \text{DDF})}$$

The Weather Normalization Adjustment will only take effect if the degree day variance from normal weather (NDD - ADD) exceeds 2.0% of Normal Degree Days (NDD). For billing purposes, this adjustment will be made only for those degree days that exceed the 2.0% of Normal Degree Days.

The weather adjustment is made by adding or subtracting the weather adjustment factor to the customer's tail block margin during the billing period.

Definitions:

TBM = Tailblock margin by Rate Classification. It is the Tailblock rate for the Applicable Rate Classifications increased or decreased by the Weather Adjustment Factor.

DDF = Average Degree Day Factor expressed in therms per heating degree day. It is the estimated number of therms per customer needed to provide space heating for each degree day based on average usage by customers to which this adjustment applies. It is determined separately for each Rate Classification and will be reviewed annually to reflect the temperature sensitivity of the prior heating season's sales to customers to which the adjustment applies.

NDD = Normal Heating Degree Days for the billing period. It is the average over the twenty (20) year period ending 2002 of the degree days for each calendar day of the billing period.

ADD = Actual Heating Degree Days for the Billing Period. It is actual difference between 65 degrees Fahrenheit and the average outdoor dry bulb temperature for a particular day or days based the high and low temperature recorded for the day.

BLF = Average Base Load Factor expressed in therms per billing day. It is the estimated number of therms per customer used per day for non-heating purposes based on average July and August usage by customers to which this adjustment applies. It is determined separately for each Rate Classification and will be revised annually to reflect the non-temperature sensitive usage of customers to which the adjustment applies reflected in the prior heating season's sales.

BD = Actual Number of Billing Days in the customer billing cycle for which the adjustment applies.

Statement: The average degree day factor (DDF), average base load (BLF) and tail block margin by Rate Classification (TBM) shall be shown on the Statement of Weather Normalization Clause Adjustment filed with the Department of Telecommunications and Energy. Every such statement will be filed apart from this rate schedule at least fifteen business days prior to any changes.

Issued: April 16, 2003

Effective: May 1, 2003

Issued by N. Stavropoulos, President
52 Second Avenue, Waltham, MA

PENSION/PBOP RECONCILIATION ADJUSTMENT CLAUSE

RATE PRAF

Section

- 1.01 Purpose
- 1.02 Applicability
- 1.03 Effective Date
- 1.04 Definitions
- 1.05 PRAF Formula
- 1.06 Information Required to be Filed with the Department
- 1.07 Customer Notification

1.01 Purpose

The purpose of the Pension/PBOP Reconciliation Adjustment Clause is to provide Boston Gas Company d/b/a/ KeySpan Energy Delivery New England ("Boston Gas" or the "Company") a mechanism to adjust, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), its rates for customers of distribution service to recover costs associated with pension and post-retirement benefits other than pensions ("PBOPs") and to reconcile pension and PBOP expense amounts included in the Company's distribution rates with the total expense amounts booked by the Company pursuant to FAS 87 and FAS 106.

1.02 Applicability

This Pension/PBOP Reconciliation Adjustment Clause shall be applicable to Boston Gas and all firm gas, as measured in therms, delivered by the Company unless otherwise designated.

1.03 Effective Date of Annual Adjustment Factor

The date on which the annual Pension/PBOP Reconciliation Adjustment Factor ("PRAF") becomes effective shall be the first day of November of each year, unless otherwise ordered by the Department. The Company shall submit PRAF filings as outlined in Section 1.06 of this tariff at least 30 days before the filing is to take effect.

1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Distribution Company" or "Company" is Boston Gas Company.

PENSION/PBOP RECONCILIATION ADJUSTMENT CLAUSE

RATE PRAF

- (2) "ERISA" is the Employee Information Retirement Income Security Act of 1974, as amended from time to time.
- (3) "Pension Plan" is a Qualified Pension Plan, as defined by ERISA.
- (4) "Post Retirement Plan Other Than Pension Plan" is a Qualified PBOP, as defined by ERISA.
- (5) "Pre-Paid Amount" is the difference between: (1) the actual cash contributions to the Pension Plan and the PBOP Plan and (2) the expense amounts recognized in accordance with FAS 87 and FAS 106
- (6) "Prior Year" is the calendar year previous to the effective date of a proposed PRAF.
- (7) "Reconciliation Deferral" is the difference between: (1) the total pension and PBOP expense amounts included in the Company's base rates; and (2) the total expense amounts booked by the Company in the Prior Year in accordance with the requirements of FAS 87 and FAS 106.

1.05 Pension and PBOP Reconciliation Adjustment Factor Formula

$$PRAF_x = (APDA + RA_x + cc (URD_x + APPA_x - DTA_x) + PPRA_x) / F_{therm_x}$$

- PRAF =** The annual Pension/PBOP Reconciliation Adjustment Factor.
- APDA =** The Accumulated PBOP Deferral Amortization is the amount of the Company's unamortized PBOP transition obligation outstanding on December 31, 2002, amortized over a ten year period. The APDA will be a fixed amount recovered over a ten-year period beginning on November 1, 2003 and ending on October 31, 2014.
- RA_x =** The Reconciliation Adjustment for Year_x is one-third of the Unamortized Reconciliation Deferral at the end of the Prior Year.
- cc =** The Cost of Capital is the tax-effected weighted-average cost of capital as most recently approved by the Department.
- URD_x =** The Unamortized Reconciliation Deferral is the amount of the Reconciliation Deferral not yet included in distribution rates. At the beginning of Year_x the Unamortized Reconciliation Deferral is the sum of: (1) the Unamortized Reconciliation Deferral at the beginning of the Prior Year; plus (2) the Reconciliation Deferral for the Prior Year; minus (3) the Reconciliation Adjustment for the Prior Year.

PENSION/PBOP RECONCILIATION ADJUSTMENT CLAUSE

RATE PRAF

- $APPA_x =$ The Average Pre-Paid Amount, for Year_x is one half of the sum of: (1) the Pre-Paid Amount recorded on the Company's books as of the beginning of the Prior Year; and (2) the Pre-Paid Amount recorded on the Company's books as of the end of the Prior Year.
- $DTA_x =$ The Deferred Tax Amount is the deferred taxes associated with the Pre-Paid Amount and the URD at the end of the Prior Year.
- $PPRA_x =$ The Past Period Reconciliation Amount is the difference between: (1) the amount of PRAF revenue that should have been collected in the Prior Year; and (2) the amount of PRAF revenue actually received by the Company in the Prior Year.
- $Ftherm_x =$ The Forecasted Therms is the forecasted amount of therms to be distributed to the Company's firm sales and transportation distribution customers for the upcoming calendar year.

1.06 Information Required to be Filed with the Department

Information pertaining to the Pension/PBOP Reconciliation Adjustment Factor shall be filed with the Department at least thirty (30) days before the date on which a new PRAF is to be effective. Additionally, the Company will file with the Department a complete list by (sub)account of all Pension and PBOP Plan accounts claimed as recoverable through the PRAF over the relevant calendar year. This information will be submitted with each annual PRAF filing, along with complete documentation of the reconciliation-adjustment calculations.

1.07 Customer Notification

The Company will notify customers in simple terms of changes to the PRAF, including the nature of the change and the manner in which the PRAF is applied to the bill. In the absence of a standard format, the Company will submit this notice for approval at the time of each PRAF filing. Upon approval by the Department, the Company must immediately distribute these notices to all of its distribution customers either through direct mail or with its bills.

April 16, 2003

Via Hand Delivery

Kevin Brannelly, Director
Rates and Revenue Requirements Division
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Boston Gas Company d/b/a KeySpan Energy Delivery New England, D.T.E. 03-40
Advice - Explanatory Letter

Dear Mr. Brannelly:

Pursuant to G. L. c. 164 § 94 and 220 C.M.R. §§ 5.00 et seq., Boston Gas Company d/b/a KeySpan Energy Delivery New England (the "Company") hereby seeks approval by the Department of Telecommunications and Energy (the "Department") of a Performance-Based Rate Plan ("PBR"), including tariffs M.D.T.E. Nos. 1209 through 1225 as listed in the Company's Transmittal Letter. The filing includes the following:

1. Petition for Approval of PBR Plan, rate tariffs and related proposals;
2. Proposed M.D.T.E. Nos. 1209 through 1225, for effect May 1, 2003 under a Transmittal Letter from A. Leo Silvestrini, Director of Rates and Regulatory Affairs;
3. Testimony and Exhibits of Joseph F. Bodanza (Volume I)
Senior Vice-President of Regulatory Affairs and Chief Accounting Officer for KeySpan Corporation to provide an overview of the Company's filing, changes in the Company's corporate structure, the proposed PBR Plan, establishment of a Pension/PBOP reconciliation adjustment clause, a weather normalization clause, modification to non-firm margin sharing and establishment of a research and development funding mechanism;
4. Testimony and Exhibits of Patrick J. McClellan (Volume I)
Director of Rate Recovery of KeySpan Corporate Services LLC to support the calculation of the revenue requirement and existing revenue deficiency;

5. Testimony and Exhibits of Justin C. Orlando (Volume II)
Vice President of Human Resources for KeySpan Corporate Services LLC to support known and measurable changes in payroll and benefit costs and the reasonableness of the Company's total compensation;
6. Testimony and Exhibits of Dr. Lawrence R. Kaufmann (Volume II)
to support the price-cap component of the PBR Plan, including a productivity and cost analysis;
7. Testimony and Exhibits of Paul R. Moul (Volume II)
to support the proposed cost of equity and allowed rate of return;
8. Testimony and Exhibits of Ann E. Leary (Volume III)
Manager of Rates to support post-test year revenue adjustments and the allocated cost of service study;
9. Testimony and Exhibits of A. Leo Silvestrini (Volume IV)
Director of Rates and Regulatory Affairs to support the marginal cost study, rate design and Weather Normalization Clause; and
10. Testimony of Ronald B. Edelstein (Volume IV)
to support the Company's proposal on research and development funding.

The Company is requesting this increase because of increases in capital costs associated with maintaining the Company's infrastructure and increases in operating and maintenance expenses since the last base-rate filing approved by the Department. Although the Company's filing allocates the increase across all customer classes in accordance with Department practice, the Company will limit the impact of this base-rate increase on the average customer in each rate class to no more than a 10 percent increase as compared to the customer's 2002 total bill. Rates proposed by the Company consistent with this limitation would represent:

- An increase of 9.59% in firm revenues;
- An increase of \$3.27 per month for residential non heating customers using 20 therms per month, representing a 10 % increase;
- An increase of \$14.42 per month for residential heating customers using 124 therms per month, representing a 10 % increase.

Attached as Exhibit A is a copy of the newspaper notice that the Company proposes to publish in accordance with 220 C.M.R. § 5.06. Exhibit B is a copy of the bill insert that the Company will send out with all customer billings in the next two months.

Kevin Brannelly, Director
April 16, 2003
Page 3 of 3

The Company looks forward to working with the Department on fine-tuning the newspaper notice and customer bill insert. Please do not hesitate to contact me if you have any questions about this filing or comments.

Very truly yours,



A. Leo Silvestrini
Director of Rates and Regulatory Affairs

ENC/

cc: Mary L. Cottrell, Secretary
Paul G. Afonso, General Counsel
George Yiankos, Director, Gas Division
Karen Robinson, Director, Consumer Division
Joseph W. Rogers, Assistant Attorney General
Robert F. Sydney, General Counsel, Division of Energy Resources

Boston Gas Company d/b/a KeySpan Energy Delivery New England
Proposed Notice for Publication

NOTICE OF PUBLIC HEARING

D.T.E. 03-40

Investigation by the Department of Telecommunications and Energy on its own motion of the Performance-Based Rate Plan and the propriety of the accompanying rates and charges set forth in the following tariffs: M.D.T.E. Nos. 1209 through 1225, and Canceling M.D.T.E. Nos. 1104, 1105, 1034 and 1193 through 1207, filed with the Department on April 16, 2003 by Boston Gas Company d/b/a KeySpan Energy Delivery New England

On April 16, 2003, Boston Gas Company d/b/a KeySpan Energy Delivery New England ("Boston Gas" or the "Company"), pursuant to G.L. c. 164, § 94, filed a request for approval of its Performance-Based Rate Plan and accompanying rate schedules and related proposals with the Massachusetts Department of Telecommunications and Energy (the "Department") designed to collect additional annual base revenues of \$61.3 million, which represents a 9.59 percent increase in the Company's annual revenues. Although the Company's filing allocates the increase across all customer classes in accordance with DTE practice, the Company will limit the impact of this base-rate increase on the average customer in each rate class to no more than a 10 percent increase as compared to the customer's 2002 total bill. Rates proposed by the Company consistent with this limitation would represent:

A monthly increase of approximately \$3.27 for residential non-heating customers using 20 therms per month;

A monthly increase of approximately \$14.42 for residential heating customers using 124 therms per month.

The Department has docketed this matter as D.T.E. 03-40. Although the Company requested that the rate change become effective on May 1, 2003, the Department suspended the effective date of any rate adjustment until November 1, 2003, in order to investigate the propriety of Boston Gas's filing.

The Department has scheduled a public hearing to receive comments on Boston Gas's proposal on _____, 2003, at the _____, Massachusetts. The hearing will commence at 7:00 p.m. The Department has also scheduled a procedural conference to be held on _____ 2003, at 10:00 a.m. at the Department's offices.

Persons interested in commenting on Boston Gas's filing may appear at the public hearing or file written comments at any time with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy One South Station, 2nd Floor, Boston,

Massachusetts 02110. For further information contact Patricia Crowe (781) 466-5131 at KeySpan Energy Delivery New England, 52 Second Avenue, Waltham, MA 02451.

Any person who desires to participate in the evidentiary phase of this proceeding must file a petition for leave to intervene or to participate in the proceeding with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, 2nd Floor, Boston, Massachusetts 02110, no later than the close of business (5:00 p.m.) on _____, 2003. A petition for leave to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03(1). Receipt by the Department--not mailing--constitutes filing and determines whether a petition has been timely filed. A late-filed petition may be disallowed as untimely, unless good cause is shown for waiver of the seven-day rule under 220 C.M.R. § 1.01 (4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

All written pleadings or comments also must be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us; or (2) on a 3.5" floppy diskette, IBM-compatible format. The text of the electronic filing must specify: (1) the case caption; (2) docket number; (3) name of person or company submitting the filing; (4) a brief description including title of the document (e.g. comments or petition to intervene). The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be written in Microsoft Word (naming the document with a "doc" suffix), or in Word Perfect (naming the document with a "wpd" suffix). Data or spreadsheet responses should be compatible with Microsoft Excel. Documents submitted in electronic format will be posted on the Department website, <http://www.magnet.state.ma.us/dpu>.

A copy of the filing is available for public review during regular business hours at the following locations: Boston Public Library (Main Branch, Copley Square), East Brookfield Public Library, Hingham Public Library, Lynn Public Library (Main Branch, North Common Street), the offices of KeySpan, 52 Second Avenue, Waltham, Massachusetts, and the offices of the Department, One South Station, Boston, Massachusetts. Any person desiring further information regarding this notice should contact _____, Hearing Officer at (617) 305-3500.

DRAFT

Important Rate Notice for Customers

Application for General Rate Increase

Boston Gas Company d/b/a KeySpan Energy Delivery has filed for a revenue increase of \$61.3 million with the Massachusetts Department of Telecommunications and Energy (DTE). The reasons for the Company's request are increases in capital costs associated with maintaining the Company's infrastructure, and increases in operating and maintenance costs since the last base-rate filing approved by the DTE. Although the Company's filing allocates the increase across all customer classes in accordance with DTE practice, the Company will limit the impact of this base-rate increase on the average customer in each rate class to no more than a 10 percent increase as compared to the customer's 2002 total bill. Rates proposed by the Company consistent with this limitation would represent:

- An increase of 9.59% in firm revenues;
- An increase of \$3.27 per month for residential non heating customers using 20 therms per month, representing a 10 % increase;
- An increase of \$14.42 per month for residential heating customers using 124 therms per month, representing a 10 % increase.

The DTE will review our request, conduct public hearings in the Company's service territory, and then make a decision by October 31, 2003. If you would like further information, please call the Customer Assistance number listed on your bill. If you would like to submit written comments to the DTE, please send them to the Department of Telecommunications and Energy, One South Station Boston, MA 02110.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

BOSTON GAS COMPANY D/B/A)
KEYSPAN ENERGY DELIVERY)
NEW ENGLAND)

D.T.E. 03-40

PETITION FOR APPROVAL

Boston Gas Company d/b/a KeySpan Energy Delivery New England ("Boston Gas" or the "Company") pursuant to G. L. c. 164, § 94 and 220 C.M.R. §§ 5.00 et seq. respectfully requests that the Department of Telecommunications and Energy (the "Department") approve the Company's Performance-Based Rate ("PBR") Plan; accompanying rate schedules; Pension/PBOP Reconciliation Adjustment Clause; Weather Normalization Clause; modification of the Company's non-firm margin sharing mechanism; and restoration of funding for research and development initiatives in the natural gas industry. In support thereof, the Company states as follows:

1. The Company is a gas distribution company subject to the jurisdiction of the Department under G. L. c. 164;
2. The Company's last general base-rate increase and PBR plan were authorized by the Department in Boston Gas Company, D.P.U. 96-50 (Phase I) (1996);
3. Based on a 2002 test year and a review of the Company's revenues, expenses and investment in rate base, the Company's rate levels are not sufficient to permit it the opportunity to recover the cost of serving its customers and do not provide the Company a reasonable opportunity to earn its authorized rate of return;

4. The Company's PBR Plan is similar to that approved by the Department in D.P.U. 96-50. The term of the PBR Plan would commence on November 1, 2003 and would continue for a five-year period with annual compliance filings establishing rates to take effect on November 1st of each year from November 1, 2004 and ending with the last adjustment on November 1, 2008. The Company proposes that the PBR Plan be extended beyond its initial five-year term without further action by the Department, unless an investigation by the Department is initiated pursuant to (1) the Department's own motion, (2) a request of the Company under G. L. c. 164, § 94, or (3) a request of the Attorney General or other entitled person under G. L. c. 164, § 93.

5. To support the Company's proposed PBR Plan, rate schedules and related proposals as described above, Boston Gas is filing the following:

- Testimony and Exhibits of Joseph F. Bodanza (Volume I) Senior Vice President of Regulatory Affairs and Chief Accounting Officer for KeySpan Corporation to provide an overview of the Company's filing. Mr. Bodanza also discusses changes in the Company's corporate structure, the Company's proposed PBR Plan, establishment of a reconciliation adjustment clause for Pension/PBOP costs, establishment of a weather normalization clause, modification to non-firm margin sharing and establishment of a research and development fund;
- Testimony and Exhibits of Patrick J. McClellan (Volume I) Director of Rate Recovery of KeySpan Corporate Services LLC to support the calculation of the revenue requirement and existing revenue deficiency;
- Testimony and Exhibits of Justin C. Orlando (Volume II) Vice President of Human Resources for KeySpan Corporate Services LLC to support known and measurable changes in payroll and benefit costs and the reasonableness of the Company's total compensation;
- Testimony and Exhibits of Dr. Lawrence R. Kaufmann (Volume II) to support the formula for the price-cap component of the PBR Plan, including a productivity factor analysis;

- Testimony and Exhibits of Paul R. Moul (Volume II) to support the proposed cost of equity and allowed rate of return;
- Testimony and Exhibits of Ann E. Leary (Volume III) Manager of Rates to support post-test year revenue adjustments and the Company's allocated cost of service study;
- Testimony and Exhibits of A. Leo Silvestrini (Volume IV) Director of Rates and Regulatory Affairs to support the marginal cost study, rate design and the Weather Normalization Clause; and
- Testimony of Ronald B. Edelstein (Volume IV) to support the Company's proposal on research and development funding.

WHEREFORE, Boston Gas Company d/b/a KeySpan Energy Delivery New England respectfully requests that the Department:

ORDER: That the Performance-Based Rate ("PBR") Plan filed by Boston Gas is approved;

ORDER: That tariffs M.D.T.E. Nos. 1209 through 1225, including the Company's Pension/PBOP Reconciliation Adjustment Clause and its Weather Normalization Clause, are just and reasonable and are approved;

ORDER: That the modification of the Company's non-firm margin sharing mechanism is approved;

ORDER: That the Company's proposal for the restoration of funding for research and development initiatives in the natural gas industry is approved; and

ORDER: Such other and further orders and approvals as may be necessary or appropriate.

Respectfully submitted,

Robert J. Keegan, Esq.
Keegan, Werlin & Pabian
21 Custom House Street
Boston, MA 02110
(617) 951-1400



Richard A. Visconti
General Counsel
Boston Gas Company d/b/a
KeySpan Energy Delivery New England
52 Second Avenue
Waltham, MA 02451
(781) 466-5138

DATED: April 16, 2003